

economy. It will create jobs by returning industries now operating offshore back to the U.S. and allowing private companies to compete with FPI for federal contracts.

This legislation reforms Federal Prison Industries in a number of ways. First, it would allow private companies in the United States to use federal inmate labor to produce items that would otherwise be produced by foreign labor. It would phase out the mandatory source requirement for federal agency purchases from Federal Prison Industries and puts them under the same authority and standards that govern state prison employment programs. It allows for increased collection for child support and victim restitution. It reduces the cost of incarceration by increasing collections for rooms and board costs. It requires that FPI establish goals for contracts with small, minority or women-owned businesses as well as with organizations that employ blind or severely disabled workers.

Mr. Speaker, today, there are more than 1.9 million Americans behind bars and the prison population continues to rise at an alarming rate. Approximately a quarter of those prisoners complete their sentences every year and return to society. Most of those former inmates, however, have never had a real job. Within the federal system, there were 145,125 inmates confined at the end of FY 2000. Current projections indicate that the federal inmate population will rise to more than 200,000 by the end of FY 2007.

We just cannot continue to lock up thousands of men and women every year and hope that they will somehow mysteriously rehabilitate themselves in prison without learning a skill. We cannot continue to allow federal prisons to become finishing schools for crime, where criminals are paroled as experts in their craft. If the only thing you know how to do when you leave prison is steal or deal drugs, that is what you will do to survive when you are released.

If the current prison work system is not augmented, prisons will become increasingly overcrowded, violent, and, most alarmingly, Americans will face a higher crime rate as the rate of unrehabilitated inmates are let out into society. Prisons should be turning out inmates ready to reenter mainstream society equipped to productively contribute to their communities. The best way to accomplish this is to put federal prisoners to work. Many convicts can be reformed if given the opportunity to learn skills other than those necessary to be successful in crime.

Mr. Speaker, a 16-year study by the Justice Department of federal inmates, the Post-Release Employment Project, has demonstrated convincingly that participation in prison industries/vocational training programs has a positive effect on post-release employment and recidivism. The study revealed that inmates who worked in prison industries or completed vocational apprenticeship programs were 24 percent less likely to commit crimes than nonprogram participants. The data also revealed that these programs provide even greater benefit to minority and low income groups that are at the greatest risk for potentially returning to a criminal lifestyle upon their release.

Employment, particularly industrial jobs, is the key factor in combating the adverse impact of crowding in a prison setting. Work, education, and vocational training not only reduce the debilitating idleness of a crowded in-

stitution, but offer important security management benefits such as supervised time out of cells.

Idleness, on the other hand, breeds apathy and discontent. Boredom turns to frustration resulting in violent and criminal behavior. The old adage that "idleness is the devil's workshop" reaffirms what can happen when an inmate's time is not productively occupied.

Mr. Speaker, this legislation will also be beneficial to the U.S. economy. First this legislation would revamp the Federal Prison Industries program by allowing federal inmates to produce goods that are presently being made offshore. For example, our prison populations could learn to produce items such as televisions and VCRs and other products now provided by non-American sources. This public-private partnership may actually help improve our balance of trade by reducing imports. A panel made up of representatives from the departments of Commerce and Labor, the International Trade Commission, the Small Business Administration, the business community and organized labor would ensure that domestic labor was not threatened by this new authority for FPI.

This also would create ancillary jobs in the domestic economy as a result of bringing back certain industries whose entire economic support structure is located overseas. Bringing back manufacturing jobs that have gone overseas will create other jobs. Raw materials will need to be brought into the prisons and finished products will have to be taken out. This will mean jobs for the local trucking companies. Teachers and craftsmen will need to be hired to teach the inmates the necessary skills. This is more than just giving federal prisoners the necessary skills to become productive members of society, it is about creating jobs for Americans, on American soil.

Finally, the bill also facilitates restitution programs that meet the true meaning of restitution by setting up programs where the inmate directly compensates the victim of that inmate's crime. Programs that merely take money from prisoners and put it into a general fund without earmarking it for their victim are merely fines. Restitution in the true sense, requires that the offender directly compensate the victim and therefore require the offender to acknowledge their responsibility to the victim.

This legislation reforms FPI in a way that will allow us to do a better job of rehabilitating our rising inmate population and reducing the crime rate of released inmates. At the same time, it will help the U.S. economy and will be a better deal for the U.S. taxpayers. I encourage my colleagues to cosponsor this legislation, and support the FPI's mission to rehabilitate our inmates by providing an opportunity for inmates to gain meaningful employment skills and come out of prison as productive members of society.

GLOBAL COMPETITIVENESS OF THE U.S. LEASING INDUSTRY

HON. JIM McCRERY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. McCRERY. Mr. Speaker, today I am introducing a bill that would eliminate a provision of the tax code which hinders the global competitiveness of the U.S. leasing industry.

The leasing industry is important to the U.S. role in the global economy. Our manufacturers use leasing as a means to finance exports of their goods, and many have leasing subsidiaries that arrange for such financing. Many U.S. financial companies also arrange lease financing as one of their core services. The activities of these companies support U.S. jobs and investment.

Enacted in 1984, the depreciation rules governing tax-exempt use property (referred to as the "Pickle rules") operate to place U.S. companies at a competitive disadvantage in overseas markets. Because of the adverse impact of the Pickle rules on cost recovery, U.S. lessors are unable in many cases to offer U.S.-manufactured equipment to overseas customers on terms that are competitive with those offered by their foreign competitors. Many European countries, for example, provide far more favorable depreciation rules for home-country lessors leasing equipment manufactured in the home country.

There is no compelling tax policy rationale for maintaining the Pickle rules as they apply to export leases. The Pickle rules were enacted in part to address situations where the economic benefit of accelerated depreciation and the investment tax credit were indirectly transferred to foreign entities not subject to U.S. tax through reduced rentals under a lease. That rationale no longer applies. The investment tax credit was repealed in 1986, and property used outside the United States generally is no longer eligible for accelerated depreciation. The present-law requirement that property leased to foreign entities or persons be depreciated over 125 percent of the lease term simply operates as an impediment to U.S. participation in global leasing markets.

The global leasing markets have expanded dramatically since 1984. The competitive pressures on U.S. businesses from their foreign counterparts also have increased dramatically. Repealing the Pickle rules as they apply to U.S. exports will strengthen the competitiveness of the U.S. leasing industry and promote U.S. jobs and investment.

I am pleased my friend and colleague from California, Mr. MATSUI, is introducing similar legislation and look forward to working with him and others to unshackle the leasing industry from these outdated constraints.

WOMEN'S OBSTETRICIAN AND GYNECOLOGIST MEDICAL AC- CESS NOW ACT

HON. SUSAN DAVIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mrs. DAVIS of California. Mr. Speaker, today I am introducing the Women's Obstetrician and Gynecologist Medical Access Now Act, the WOMAN Act. This bill will ensure that every woman has direct access to her ob-gyn.

When I served in the California State Assembly, I heard from many women that they were being denied access or had to jump through numerous bureaucratic hoops to see their ob-gyn. Statistics show that if there are too many barriers between a woman and her doctor, she is much less likely to get the medical care she needs. This is simply unacceptable. A woman should not need a permission